

# *U.S. Senate Committee on Finance*

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Contact: Jill\_Gerber@finance-rep.senate.gov  
Carol\_Guthrie@finance-dem.senate.gov

## **GRASSLEY, BAUCUS PRAISE PASSAGE OF TAX, TRADE, HEALTH BILL** *Bipartisan legislation renews expired tax cuts for American families, businesses*

**Washington, DC** – U.S. Senators Chuck Grassley (R-Iowa) and Max Baucus (D-Mont.) today praised final Senate passage of bipartisan legislation extending expired and expiring tax, health, trade, and other provisions. In addition to renewing tax cuts such as the research and development tax credit, the college tuition deduction, and the state and local sales tax deduction, the bill also eliminates an expected five-percent cut in Medicare's payments to physicians in 2007 and rewards quality reporting from Medicare providers. A trade section in the legislation also grants permanent normal trade relations to Vietnam, allowing the U.S. to take full advantage of Vietnam's commitments to open its markets to products from other World Trade Organization countries. The bill will now go to the White House for signature into law.

**"This is a good agreement,"** Grassley said. **"It continues tax relief without interruption. It stabilizes access to doctors for Medicare beneficiaries. It moves Medicare toward linking payment with quality and preserves Medicare beneficiaries' access to rehabilitative therapy. It gives new access to farmers including those in Iowa to the growing Vietnamese market. These are things that need to get done. It's good to see them moving forward."**

**"It is the understatement of the year to say that some provisions in this bill are long overdue, but I can say that Congress has finally done the right thing by renewing tax cuts that American families and businesses depend on. From the college tuition deduction to the research and development credit, many of the tax provisions in this bill will have a direct effect on families' financial futures and on the ability of American companies to create and keep good-paying jobs here at home,"** said Baucus. **"Preventing a cut in Medicare provider payments and extending Transitional Medicaid Assistance has assured that more Americans will get the health care they need next year. Granting permanent normal trade relations to Vietnam has opened the door to sell more U.S.-made goods to that nation's 83 million consumers. When the 110<sup>th</sup> Congress convenes, we will turn our attention to items this bill leaves undone – from alternative minimum tax relief for 2007 to the funding of the State Children's Health Insurance Program."**

Grassley and Baucus, the Chairman and Ranking Democrat on the Senate Finance Committee, negotiated the legislation with the House of Representatives, and announced details late Thursday. Elements added to the bill Friday included a provision clarifying the U.S. Tax Court's ability to hear requests brought by spouses or former spouses to be relieved of liability for joint tax returns, and a provision suspending duties on some cotton fabrics and establishing a trust fund to be distributed among eligible yarn spinners and shirt manufacturers.

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